

STATE OF THE CITY ADDRESS

Mayor Scott W. Lang

March 18, 2010

Thank you for the introduction Mr. Toomey. Thank you to Kaylee Cotter, a New Bedford High School Senior, for a beautiful rendition of the National Anthem. Good afternoon honorable citizens of New Bedford, Roy Nascimento, President of the New Bedford Chamber of Commerce, and officers and members of the New Bedford Chamber of Commerce; President of the City Council, Denis Lawrence and all members of the City Council, Portuguese Consul Dr. Graca Fonseca, members of our School Committee, members of our Board of Assessors, Senator Mark Montigny, and, as they are in session, I want to acknowledge our Representatives; Tony Cabral, Bob Koczera, John Quinn, and Steve Canessa, I would also like to recognize Ines Goncalves-Drolet representing Congressman Barney Frank, Janet Label representing Senator John Kerry and Jack Richard representing Senator Scott Brown. I want to thank Mr. Richard for his participation at last week's New Bedford Fishing Summit and take this opportunity to announce that Senator Brown will be visiting New Bedford tomorrow morning at 10:00 A.M. You know, Jack asked me if I really picked the Marquette Warriors in the NCAA Tournament, and I said, "Yes, Jack. What do you think? He said, "I think it's a great pick, I believe in long shots."

Also please welcome Patrick Administration Cabinet Secretaries, Public Safety Secretary, Mary Elizabeth Heffernan, Administration and Finance Secretary, Jay

Gonzalez, Registrar of Motor Vehicles, Rachel Kaprielian, Executive Director of Mass. Development, Bob Culver, representatives from District Attorney Sam Sutter's office and Acushnet Selectmen David Wojnar and Les Dakin. The citizens of Acushnet are celebrating their 150th anniversary as a Town, and we wish them well. Welcome to School Superintendents Dr. Portia Bonner and Michael Shea, and BCC President Dr. Jack Sbrega. Welcome to Tony Sapienza, the President of the New Bedford Economic Development Council and all of its members, and its Executive Director, Matthew Morrissey. I wish to acknowledge Rev. David Lima of the InterChurch Council, and Reverend Mark Green of the NAACP, as well as all of our clergy and all of our representatives of higher education and my wife and City First Lady, a volunteer and a mentor, Gig Lang.

I also want to acknowledge our neighboring Select Boards and guests, all of our dedicated City employees and all of you listening to this broadcast on the radio on WBSM from your homes, businesses and automobiles and those who will view this from your homes on New Bedford's Cable Access channel 18—thank you for being with us today. Also, I want to thank our home-town newspaper, The Standard-Times for its coverage of this event, and providing our community with vital news year-round

Today, I have released The report to the Citizens of the City of New Bedford for the Year 2009. This report, along with the reports of 2006, 2007 and 2008 describes the work that was done by the dedicated men and women who are employed by the City of New Bedford, along with the help and cooperation its citizens and our partners in the private sector and in the state and federal government.

This report is comprehensive and gives an accurate overview of the City government's activities. As part of our City's green initiative, the report can be viewed on the City of New Bedford's website: www.newbedford-ma.gov A limited number of hard copies will be available at City Hall and all libraries.

As we look back, 2009 was another productive year for our City government and our citizens. Before we begin, please join me in a prayer for the safe return of our men and women who serve under the colors of the United States of America. We are at war and the dangers are great. To their families, we give thanks, and to all veterans, we owe a debt of gratitude. For those who have lost their lives defending our freedom, say a prayer every day for their lasting peace, and a prayer for solace for their families.

Each year the Mayor of New Bedford reports to the citizens on the State of our City. Today, March 18, 2010, a beautiful day in the City of New Bedford, finds our City and its people looking towards a positive future. It appears that the second worst economic downturn in our nation's history is beginning to abate. Most economic indicators are pointing towards a slow but steady national recovery. At present, unemployment is unacceptably high, and in New Bedford, unemployment has fluctuated in numbers that have taken a terrible toll on our people and their families. Persons without jobs hollow out society. Unemployment affects the individual, their spouse or significant other, their children, their neighbors and their fellow citizens. Real job creation in the United States, in Massachusetts and New Bedford, is essential for the long-term economic and social health of our communities.

Investing in our City

The priority for New Bedford for this coming year is to help the private sector put people back to work. My administration has been focused on job creation since my first day in office. The City of New Bedford has adopted a business-friendly environment which has conducted extensive outreach throughout this region, country and world, to bring investors and businesses into New Bedford to provide jobs for our citizens and to expand the tax base. The results of these efforts are being seen throughout the City with the continuous ribbon cuttings of small and large businesses both newly-created and expansions, and with the tremendous surge in construction that is taking place in the City as we speak.

Projects

The new projects that are on-going in the City project an overall growth of well over \$100 million, which will result in a projection of over a million dollars in new tax revenues. In addition, these projects will provide hundreds of new jobs for our residents. The projects that are on-going or about to begin at this time are:

The Market Basket Project	Lofts at Wamsutta Place (residential)
Riverside Landing (retail use)	Riverside Landing Phase II, mixed use
Cliftex 1 (mixed use)	Cliftex 2 (mixed use)
Victoria Riverview (residential)	Bristol County Savings Bank
Southern Mass. Credit Union	Citizens-Union Savings Bank
Marriott Fairfield Inn & Suites	United Front Development (residential)
Regency Tower (residential)	Ingraham School (residential/educational)
Sean Brooke Veterans Housing	Greater N.B. Community Health
St. Anne's Credit Union	Center expansion
Palace Pizza (County & Allen St.)	David Street Artists Loft Mill Renovation
Honey Dew Donut on Cove Street	Coalition for Buzzards Bay
	Headquarters (office/educational)

Public projects include the Lincoln Elementary School, the Route 18 reconstruction project, three new railroad bridges for the purpose of moving forward on the Southcoast Rail Project, which means build it, not study it; this will bring rail to Southeastern Massachusetts, and the Route 18 sewer interceptor project, all projects set to begin this year.

In addition, dozens of other projects are in the final stages of architectural drawings and/or permitting. Our building permits have remained strong and foreclosed properties are beginning to be renovated and put back into the housing stock of our City.

This is not an all-inclusive list, and there are many more projects to come, but it shows tremendous investor confidence in this City and its people and is indicative of the City's genuine growth and economic momentum. This positive economic climate did not come about by the work of any one individual. It has been a team effort by the Mayor's Office, New Bedford Economic Development Commission, City Council, the Assessors, our legislative delegation, the congressional delegation, Mass. Development, the Patrick Administration and the Obama Administration. Most importantly, it has been as a result of the tremendous effort of the people of New Bedford to not only identify urban issues that affect the City, but to work together to solve them through new and innovative programs. Our citizens' work has not gone unnoticed to individuals seeking to invest in our City.

Historic Preservation

Over the past four years, my administration has been working with a large team of organizations and individuals to preserve New Bedford's historic properties. We have had some significant successes in preserving and readapting for new use, buildings that make up the historic structure of our City. In particular, the rehabilitation of mills throughout all areas of the City has been extremely gratifying. The work that continues at the Wamsutta Mills complex and the work that is beginning at Victoria Riverview, which is the old Whitman #2 mill, and the plans for the Cliftex 1 and 2, which are the Manomet mills, will be important successes for historic preservation.

The work being done by Buzzards Bay Coalition on the Coggeshall Counting House building is a perfect example of adapting for 21st Century use, a building which is built in 1832. A real victory for preservation is WHALE's efforts, partnering with the City, to save the John Howland, Jr. House located on Sixth and Madison Streets. This project is extremely important for preserving the historic nature of the southern flank of the downtown area. Early in my administration, we were able to save New Bedford's Ice House, which is located on the property of Revere Copper & Brass. This building was circa 1830. I am especially appreciative of all the work the National park Service has done in helping preserve, not only buildings in the National Park, but in various parts of the City. I am particularly proud of the effort that has been made by LaFrance Hospitality, the City and the National Park in preserving the Baker-Robinson oil refinery building, which is located on the western side of the new Marriott Hotel. The challenge at that site was preserving the deteriorating building and allowing it to be visible and accessible to the public for the first time in 7 decades. The LaFrance family

enthusiastically agreed to the condition which required them to save the building when they obtained the private property upon which to build the hotel. I applaud their efforts in working with the City and all of our historic preservation organizations to document and remove the last remaining vestiges that were used in the whale oil refinery process. But, to establish or create a museum on that site, was never the goal or the intent of the City. In last year's State of the City Address, I outlined our policy on historic preservation. This policy remains true today and serves as our guiding light on this issue. "New Bedford must protect and honor its history, culture and traditions. To do otherwise, casts the uniqueness of the story of the people of New Bedford aside and we become part of the homogenized landscape of later 20th Century America. Each mill or building must be evaluated on its own merits. In a perfect world, the financial realities of each project would not be a factor in determining whether a building is rehabilitated or razed. In some cases, the financial realities will be a contributing factor; in others, it will be an obstacle which may or may not be overcome."

Historic preservation is honored and practiced and woven into the fabric of our City-wide comprehensive planning activities, whether it is economic development, neighborhood revitalization or quality of life issues. In early 2006, a Preservation coalition group was formed comprised of all the non-profit organizations and governmental agencies which have historic preservation as their core. This coalition works in a collaborative manner practicing the day-to-day preservation work that is preserving the built landscape and image of this historic city. The coalition's goals are

aligned with my philosophy of utilizing historic preservation as an economic development and revitalization tool, whenever possible.

The Butler Mill will begin a renovation that will provide for artist living and working space. Further, we have spent a great deal of time working with private property owners to help lease mill space so that the buildings will be sustained until they are fully renovated.

In Hazelwood Park we have an on-going phased approach to restoring and preserving the important historic structures located there.

These public/private historic preservation projects have been made possible by the Massachusetts Historic Tax Credits, in conjunction with Federal Historic Tax Credits.

These projects have created hundreds of construction jobs and permanent jobs upon completion of the projects. In addition, they have expanded the City's tax base. The last round of tax credits brought nearly \$5.5 million in state tax credits to 3 historic rehabilitation projects in New Bedford. Additional tax credit applications are pending.

Thank you to Secretary of State Galvin and to Senator Montigny for their support in this matter, and our representatives.

In July of 2011, the Massachusetts Historic Tax Credit Program is set to expire. It is imperative for future preservation efforts, that this Historic Tax Credit be renewed and that the \$50 million cap be lifted so that projects ready to begin, will not languish on a waiting list as the properties continue to deteriorate with time. I know that our legislative delegation fully supports the Massachusetts Historic Tax Credit Program.

Tourism and Investing in our City

In 2010, New Bedford will see continued expansion of the tourism sector of the economy. This summer we will have 20 cruise ships visiting New Bedford, as well as dozens of organized tour groups. The draw to New Bedford is significant—the number one fishing port in the country, the number one whaling museum in the world, the Zeiterion Performing Arts Center, the New Bedford Whaling National Park, the award winning Buttonwood Park Zoo, the Ocean Explorium, the dozens of art galleries, the Festival Theatre, the New Bedford Military Museum, the New Bedford Fire Museum, the New Bedford Glass Museum, the New Bedford Art Museum, the Madeiran Cultural Museum, the New Bedford Public Library system, including the downtown flagship, with its impressive art collection and genealogical room, New Bedford's restaurants which suit every culinary taste, our parks and beaches, the New Bedford Half Marathon, the premiere Half Marathon in New England, sponsored by the Friendly Sons of St. Patrick, the Bay Sox and the Clippers, AHA Nights and City Celebrates nights and everyone's favorite, New Bedford's Fifties Night, as well as New Bedford's countless festivals and fairs, including the Whaling City Festival, Summerfest, Day of Portugal, the Chowder Festival, the Working Waterfront Festival, the Azorean Whaleboat Races, Fort Tabor, Buzzards Bay and the grand festival of all, the Portuguese Feast. The draw of entertainment venues, educational institutions, recreational opportunities, restaurants, galleries, and events, all fueled by the rapidly growing creative artistic community, make New Bedford an overnight destination.

In June, for the first time in 5 decades, New Bedford will open its first hotel in the downtown area overlooking the harbor, the ever-changing working waterfront and

the Ernestina. This Marriott hotel will be the headquarter hotel for the Commercial Marine Expo taking place on June 9th and 10th. This will mark the beginning of New Bedford's status as a conference/convention/exhibition center for Southeastern Massachusetts. Our bed and breakfast business will benefit greatly by the influx of visitors to our City as well.

Throughout the year, New Bedford is a beacon for the artistic community to perform and exhibit their works. The University of Massachusetts Dartmouth School for the Visual and Performing Arts and its location at the Star Store is a positive energy source which combines education, creativity, imagination, and the best of the human spirit to help drive New Bedford's creative economy. The University's merger with the Swain School of Design 22 years ago strengthened both institutions. This year, another exciting and important merger brings the region a state university school of law to Dartmouth. This law school will be a tremendous resource for New Bedford and a great opportunity for our citizens.

Over the next several months, two movies will be filming in New Bedford. Over the past several months, New Bedford has hosted several different movie companies filming shorts or various scenes for specific films. Such film projects provide additional economic stimulus for our local economy, and are a perfect complement to our creative economy efforts.

Casino Gambling

As the legislature begins dealing with the issue of casino gambling in Massachusetts, I will work closely with our legislative delegation and the City Council to

make sure New Bedford's interests are protected. The issue of siting a casino in New Bedford is highly complex and one that will affect the City for decades to come. Every aspect of this possibility will be closely examined in the light of day by my administration. A casino only works in New Bedford if it has a positive impact on the economy and the quality of life in our City.

New Bedford Business Park

The New Bedford Business Park companies currently employ 4,500 workers. Using a multiplier of 2, the Business Park generates 9,000 jobs in our local economy. The Business Park has 3 million square feet of buildings and generates \$1.7 billion of sales per year. The New Bedford Industrial Foundation has done excellent work in revitalizing and promoting the park. This year, a road extension will be built which will open up over 40 additional acres of land which can be developed for job creation.

Alternative Energy

With the continued support of the growing clean technology and manufacturing sector and the Patrick Administration, we are succeeding in positioning New Bedford as the clean tech-manufacturing center of the Commonwealth and perhaps New England.

We are building a diverse base of companies in the areas of thin film photo voltaic production, gasification of municipal solid waste and construction debris, tidal power, solar panel integration, and wind development.

Through the New Bedford Economic Development Council, we have recently formed a Clean Technology & Energy Task Force of the CEOs of eight industry leading companies and key public sector partners, such as the University of Massachusetts

Dartmouth. This task force has the direct mission to continue to attract new and growing companies to New Bedford as we build this important jobs cluster for hundreds of jobs today, and thousands of jobs tomorrow.

Additionally, a Mayoral Fellowship was established as part of the Green Jobs, Green Economy Initiative. This program of the Marion Institute was developed in collaboration with the Greater New Bedford Economic Development Council and the City of New Bedford.

In February of this year, the City established an Energy Office, funded through the American Recovery and Reinvestment Act Energy Efficiency and Conservation Block Grant, a program of the Obama Administration. The Energy Office will lay a solid foundation to assist all sectors of the city – residential, commercial, industrial, transportation, municipal – in integrating Energy Efficiency and Clean Technology measures moving forward.

Fishing

New Bedford's fishing industry is the single-most important industry in the region. It is the largest single employer and provides an economic driver of over \$1 billion in our local economy. The fishery regulations promulgated by the National Marine Fisheries Service, an adjunct of NOAA, are overly restrictive and do not balance conservation efforts with the sustainability of the economic and social fabric of our Port and other fishing communities. I will continue to work with all of the stakeholders and our congressional delegation, especially our leader, Congressman Barney Frank, our legislative delegation, the City Council and the Patrick Administration to bring levity to

the regulations and respect to our fishing families. The efforts made at the University of Massachusetts SMAST to provide real-time science for analysis by the federal government, are ones we sincerely appreciate and these efforts are indispensable in our quest to amend the regulations in an appropriate manner. The Mayor's Oceans and Fisheries Council, chaired by Dr. Brian Rothschild has done important research and advocacy for the fleet. Our Harbor Development Council and its Executive Director, Kristen Decas, have improved the port for our fleet and have helped diversify our harbor's economic strategies.

Environment

Over the past four years, the City has been involved in comprehensive efforts to identify areas of environmental concern throughout our City, as well as remediating contaminated areas as quickly as possible. The work continues at the Keith Middle School, New Bedford High School and Walsh Field, to comply with the August 31, 2005 EPA Conditions of Approval. I expect that within the next year all of the sectors of these projects will be either completed or close to completion. Our partners at the EPA and DEP work with the City's Office of Environmental Stewardship to ensure appropriate remediation of all contaminated areas. The environmental aftermath and the resulting remediation project which came from the decision to build the Keith Middle School on the west side of Hathaway Boulevard, is a situation I inherited, and I intend to faithfully resolve, in a positive manner and in the best interests of the citizens of our City.

Public Safety

Public safety continues to be a priority of my administration. In 2009, it is disturbing to report that there were 9 homicides in New Bedford, six of which were domestic-related. All of the murders were a tragic and wasteful loss of life. Of the nine, only one murder remains unsolved and I know that the police and the D.A.'s office are intent on making an arrest, and I am confident that we will see justice prevail. We must dedicate ourselves to an educational effort throughout the schools and the community to alleviate domestic violence of all kinds.

Overall, crime in New Bedford for 2009 rose 1.4%. This increase is unacceptable; crime in our City takes a toll on all of our citizens, and we must continue to band together to prevent crime when possible, and apprehend the criminals when crimes are committed. It is also imperative that our citizens continue to cooperate with the police and the District Attorney's office in furnishing confidential information and testifying during prosecutions when called upon. Our only defense against criminals is the strength and resolve of the community to root out the criminal element.

The Police Department, with their law enforcement partners at the county, state and federal levels, has worked diligently to keep our City safe under very difficult financial constraints. I sincerely appreciate their sacrifice and their families' commitment to the citizens of the City of New Bedford.

Working with the District Attorney's Office we have had solid success in prosecuting criminal cases. It is clear, however, when analyzing violent crime in 2009, that the Supreme Judicial Court's decision, narrowing the use of the "dangerousness

hearings” by District Attorney Sutter, has thwarted the efforts to take violent individuals who utilize guns in the commission of crimes, off the streets while pending trial.

It is important that the Massachusetts legislature pass the revised dangerousness statute as soon as possible. I believe that this will reduce violent crimes in the City of New Bedford and throughout the Commonwealth. On behalf of the people of New Bedford, I sincerely appreciate the efforts of Senator Montigny guiding the law through the senate, and Representatives Cabral, Koczera, Quinn, and Canessa in advocating for the swift enactment of this statute in the House.

The year 2009 was a financially challenging year for the Fire Department. The firefighters performed their duties in an extraordinary manner in the most difficult circumstances. It is important to honor and acknowledge Fire Chief Paul Leger and his family on his retirement. Chief Leger has dedicated 34 years in service to New Bedford. He is a very good man and his service will be missed. In 2009, due to the recession and its effect on state and local revenues, many of New Bedford’s public employees operated under a furlough system; this caused economic hardship in the households of many employees. As Mayor, I want to thank these employees for their great work and dedication to the people of New Bedford—your sacrifices during the past two years will not be forgotten by our City.

Investing in People

The people of New Bedford have dedicated a good deal of their time and effort in helping to educate and mentor the future generation of boys and girls. New Bedford has countless numbers of youth programs which encompass everything from organized

sports, to music, dance, and all other artistic endeavors imaginable; we have tutoring of academic subjects, teaching social skills and etiquette. All of these efforts will bring tremendous returns. The young men and women of today will be the foundation of our community in the near future. It is heartening to see our citizens devote their time investing in the future success of our City. Responsible adults contributing to the next generation is the solution to the problem of disaffected and uninvolved young people. Citizens not only invest dollars into various programs and causes in the City, but their donation of time is valuable in assisting in a wide variety of programs and activities to better our City. The results of these efforts, large and small, have given our City a unique advantage over many other cities that are just now realizing the interrelationships between their residents and the issues each of them face. A special note of thanks to all of our non-profit agencies, service clubs, individuals, the Mayor's Youth Council and our clergy and neighborhood churches for all of the work they do throughout the community.

At this time I want to thank Joseph Finnerty for five decades of public service to the people of New Bedford as director of the New Bedford Housing Authority. Mr. Finnerty led New Bedford to the highest level of performance. Joe, thanks to you and our family for your dedication.

Neighborhoods

New Bedford is a City of exciting diversity; it is our strength. We are the true definition of a melting pot, "a place where immigrants of different cultures or races

have formed an integrated society.” New Bedford’s neighborhoods reflect the culture and heritage of our residents.

Throughout our neighborhoods, there has been a great deal of work done on infrastructure, from repairing roads, sidewalks, installing water and sewer lines, cutting or planting trees, and numerous beautification efforts. The citizens of New Bedford have been called upon to help keep our City clean. These efforts are led by Operation Clean Sweep and Neighborhoods United. The goal is to take responsibility for keeping the areas around our homes and businesses clean, as well as encouraging all of our citizens to use the City trash baskets to dispose of day-to-day litter. We have asked that all residents participate in the City’s recycling program, and have seen dramatic results. Recycling material has increased by 56% in the past 5 years. In addition, my administration has enforced the trash ordinance which requires the appropriate disposal of our weekly household trash. All of these efforts are showing positive results, however, we must all do our part in keeping our city clean. Needless tax dollars are spent picking up litter thrown about by careless and thoughtless individuals. Let us continue to work together to improve and revitalize our neighborhoods. The City will partner with all individuals, families and business to beautify New Bedford.

Education

Throughout the year I attend assemblies at a good number of elementary schools in our City. This is one of the things I look forward to and thoroughly enjoy. I give a short talk about reading, exercise, communicating and respecting others. I also

demand non-violence and implore them to turn away from inappropriate TV, radio, music, movies and especially to forego all violent videogames.

After my talk, I open the session to questions and answers from the children.

These are a few of the typical questions I am asked and my responses:

Q. Do you like being Mayor?

A. Yes, I love it; it's very interesting.

Q. Is being Mayor hard?

A. Yes, it's very challenging.

Q. How do you become Mayor?

A. Work hard, love your community, campaign and stand for election.

Q. Do you have a limousine?

A. No, I'm driving a 12-year old Volvo.

Q. What is the New Bedford's Mayor's Mansion like?

A. Ask Gig, she is in charge of it.

Q. What happened to the City's snow removal efforts for the Dec. 19-20, 2009 snowstorm; how come I didn't see a plow for 3 days?

A. Young lady, that was a long time ago; be happy, and thank God, it's almost Spring.

Q. Why are my parents' taxes always going up, and what period did the city use to reevaluate their property? Does it take into account the decline in property values due to the recession?

A. That's a great question; call Peter Barney on that one.

Q. How old are you?

A. How old do you think I look? (I stop them when they get to the early 40's).

Q. Do you know Scott Brown?

A. Is he the fellow who drives the truck?

Q. Mayor, why do you always run late?

A. Please, come here, who told you to say that?

Q. Is there any way I can get a curb cut; my driveway meets code, but it's big enough to park two cars?

A. Young man, call Ron LaBelle; and then call Joanne in my office to make sure it gets done.

Q. Can you be Mayor forever?

A. I think I already have been.

Q. Mayor, can you stay and take the MCAS test with us today?

A. Oops, my secret Mayor's signal watch is calling me back to City Hall.

Unfortunately, I have to leave right now.

Q. Mayor, why is your hair turning so white?

A. I dye it whitish grey. That's it kids, no more questions.

I love our children and our school system, and along with our School Committee, have worked very hard to give our Superintendent, the administrators and our teachers and staff the resources they need to provide our children with the best educational opportunities available. We will continue to do so.

In regard to the Parker School requiring remedial action under the Department of Education Level 4 Plan—we will work with the administration, the teachers, parents, and all parties, including the unions to get Parker up to a standard of excellence. Along the way, I pledge to our parents, we will redouble our efforts in every school. Failing to teach our children is not an option; we will be successful.

In the past year, we have seen an expanded partnership with the University of Massachusetts Dartmouth and Bridgewater State College in involvement in our public school classrooms. We intend to continue to expand these programs. Currently, we are in discussions with Bristol Community College, to establish a pathway from high school to earning an Associate's degree. Within the next week, Bristol Community College will announce a major educational initiative with the Princeton Review, that will provide relevant career opportunities for our young men and women at Bristol Community College in downtown New Bedford.

Innovative programs, such as the internship program with the Naval Undersea Warfare Center (NUWC) have provided our students with the chance to work with engineers and scientists during the summer. NUWC has also brought engineers into our schools for instructional purposes and to form clubs for students interested in math and science.

In September, we will open the Lincoln elementary school, a modern, technologically advanced building of learning, which will replace 3 schools which average approximately 100 years of age.

Later this year, it is the administration's intention to break ground on the Hannigan School, and continue to replace hundred year old elementary schools with new technologically advanced and environmentally efficient school buildings. This will further enhance the educational opportunities for the children of New Bedford.

This past January, the Bank of America Foundation made a three-year commitment to the School Department to help fund after school programs in our three middle schools and four major elementary schools. These programs provide academic, recreational and art programs for hundreds of students on a daily basis and hundreds more during evening hours. This program, which is known as the "Excel New Bedford Program" creates a social and academic bond between our students, teachers and counselors, and will lead to higher educational attainment, a lower dropout rate, and reduced criminal activity among our youth.

It is clear that our City government cannot solve the problems of America's urban areas alone. We thank our many partners, such as Bank of America, for stepping up and providing money and resources to enhance educational opportunities and for improving the quality of life in our City.

I want to thank all businesses which contribute to the betterment of New Bedford, in particular, in this State of the City of Address, I would like to thank Veolia Water, CDM, Sprague Oil, the Massachusetts Sports Foundation, Hawthorn Medical Associates, the Market Basket and the Demoulas Foundation, Konarka Technologies, the Waterfront Grille, Stop and Shop, and the Synagro Company for their support of important educational and economic programs throughout the City. In addition, dozens

of businesses have contributed to the Mayor's Youth Job Program and without the day-to-day support of the business community, New Bedford's opportunities would not be realized.

City Government

In my Inaugural Address, I spoke about sustainability in the sense of our local City government's ability to serve the public. The fact is that the expenses incurred in operating our government are outpacing our local revenue and the state and federal local aid dollars. Continuing on the road called the "status quo," will head to a dramatic decline in the number of employees our City can afford to employ. The problem, however, is that the residents of the City will continue to pay the same taxes and receive far less services and the need for City services would not decrease.

New Bedford we have a problem. In the near future, approximately 40% of our revenue will be spent on employee health insurance and pension payments. If we work together, we can begin to fix this problem. If not, then it will have to be fixed as a result of the "rule of declining revenues." I am hopeful that New Bedford and its unions can lead the way for Massachusetts on the issue of sustainable government.

In 2006, New Bedford began addressing the municipal health care issues. Fully partnering with the employee unions, we put our health insurance out to a competitive bid for the first time in at least 50 years. The results have saved the employees and the taxpayers of New Bedford several million dollars over the past 3 years. This year we will again put the health care plan out to bid. Our goal is to save additional dollars, however, I believe that a serious discussion needs to take place regarding plan design.

Municipal health insurance policies should more accurately reflect the choices and costs that our citizens in the private sector pay. In other words, the City's employees' co-pays and deductibles should resemble our neighbors' policies. In most cases, this would save the City and its employees money each year. Many of us are over insured when it comes to out-of-pocket co-pays for office visits, and co-pays for prescription drugs. When you do the math, comparing our premiums to our co-pay benefits, you find that the insurance company often comes out ahead. A quick and simple example: a yearly premium to keep a person's co-pay at \$10.00 an office visit rather than \$20.00 an office visit may cost \$600.00 per year. To save \$10.00 on an office visit every month costs you \$50.00 a month, and both the employee and the taxpayers lose out. Prescription drug co-pays often produce the same equation, the premium paid is far more than the benefit received. In fact, the City would be better off providing stop loss coverage for certain co-pay thresholds, than attempting to support plans that provide over insurance on co-pays and deductibles. This year we must work together to find a sustainable method to insure our employees and their families. They deserve a health insurance plan that provides the best health care, bar none, but with plan design that holds the cost of health insurance in check, we will become more sustainable.

In regard to the City pension plan, it is sound, healthy and runs in the black. It is able to provide the benefits that our City solemnly promised its dedicated employees and it will meet every commitment in the future. But there is a major problem with the concept that a municipal pension plan must be fully funded within a set time period, or at anytime. This is the failed industrial model. This formula was designed in the event

a company with a pension plan goes out of business. Municipal governments won't go out of business, if they do, we will be trading scallop shells, and New Bedford will do very well. Municipal government will exist in perpetuity, thus the pension plans can and should be on a pay-as-you-go system. New Bedford's pension plan, in order to meet a 20 year or even 30 year fixed and fully funded payment formula, will capsize the City's Government, with no rational reason, or need to do so. The fully funded premise is nonsensical and puts the tax burden on the current taxpaying generation sacrificing tremendous City revenues and therefore services, while chasing a fully funded myth. The state government needs to carefully study this issue for the sake of maintaining and sustaining local governments into the 21st century. Union leadership understands that adherence to the notion of fully funded actuarial table will lead to massive layoffs at every level of government, and the actual undermining of the pension systems themselves, due to the lack of active participants in the contribution pool. New Bedford can help lead in this important discussion before the local pension contribution schedules around the state, spiral out of control.

If we work to resolve the issues of health care costs, and the inappropriate and unnecessary pension contribution schedule, New Bedford will be able to dedicate more of its revenue to policing our streets, fighting fires and providing emergency services, teaching our children and providing superior City services. This will lead to increased growth, new jobs and an increased tax base. Cities that provide quality services grow. Cities that cannot, go into steep decline.

Lastly, there are many economies of scale that we can accomplish in our government. During the 2011 FY budget cycle, I will work with the employee unions, the employees, the department heads, and the City Council to balance the budget as we face another round of local aid cuts. I have confidence that New Bedford will continue to remain stable during this most difficult national economic period, and in fact, New Bedford will continue to grow.

In closing, New Bedford is a unique and special City. Thanks to its glorious past, New Bedford is a hometown that is world renown, and thanks to its vibrant energy, New Bedford is being recognized today as a City on the rise. Locally, statewide and nationally, New Bedford citizens are generating positive stories about our City. Our hometown newspaper is providing positive coverage about our City and region's economic and social renaissance. The local radio stations cover our daily events and news. The Providence and Boston media and in some cases the national media are recognizing that New Bedford is the new "dare to be great" growth area and enjoys a high quality of life. This type of positive publicity is beneficial for our people, our City and our region. It attracts visitors, investors and settlers to one of the friendliest, most beautiful inclusive cities in America. It also draws people with great projects and great ideas to our City.

I am very proud, honored and humbled to represent the people of New Bedford in the first decade of the 21st century. I am lucky to be a small part of this great journey and story for our magnificent City.

Thank you.